

Division of Welfare

Analyst: Castro

Historical Summary

OPERATING BUDGET	FY 2008 Total App	FY 2008 Actual	FY 2009 Approp	FY 2010 Request	FY 2010 Gov Rec
BY PROGRAM					
Self-Reliance Operations	62,912,900	58,045,500	67,278,900	60,472,100	56,877,700
Benefit Payments	79,316,300	72,901,100	78,618,700	78,618,700	76,418,000
Total:	142,229,200	130,946,600	145,897,600	139,090,800	133,295,700
BY FUND CATEGORY					
General	44,584,700	41,455,000	44,780,600	41,883,800	38,141,100
Dedicated	2,703,200	2,391,900	2,355,900	2,410,000	2,355,300
Federal	94,941,300	87,099,700	98,761,100	94,797,000	92,799,300
Total:	142,229,200	130,946,600	145,897,600	139,090,800	133,295,700
Percent Change:		(7.9%)	11.4%	(4.7%)	(8.6%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	33,661,800	32,677,800	35,450,000	37,068,000	35,244,800
Operating Expenditures	28,707,100	24,121,400	31,296,700	23,295,600	21,632,900
Capital Outlay	544,000	1,246,300	532,200	108,500	0
Trustee/Benefit	79,316,300	72,901,100	78,618,700	78,618,700	76,418,000
Total:	142,229,200	130,946,600	145,897,600	139,090,800	133,295,700
Full-Time Positions (FTP)	614.69	621.69	617.69	621.69	621.69

Division Description

The Division of Welfare administers Temporary Assistance for Families in Idaho (TAFI). This is a time-limited cash assistance and supportive services program with an emphasis on self-reliance and personal responsibility. Additional assistance provided by this program is the Idaho Child Care program, Aid to the Aged, Blind, and Disabled, Food Stamps, Refugee Assistance and Medicaid eligibility. Also included is the administration of the Community Service Block Grant, Low Income Energy Assistance, Low Income Weatherization Assistance, Emergency Food Assistance and Telephone Assistance programs.

The Child Support program is responsible for establishing and enforcing child support orders and medical support orders, modifying child support orders to ensure that support awards remain comparable to changes in parental income, and collecting child support for TAFI cases, non-TAFI cases and foster care cases. These collections are passed on to custodial parents with non-TAFI cases and are used to reimburse the state and federal government for TAFI and foster care expenditures.

The Self-Reliance Operations Program is responsible for the eligibility work and support functions associated with Food Stamps, the Children's Health Insurance Program (CHIP), Temporary Assistance for Families, Medicaid, and child support.

The Benefit Payments Program is comprised of the direct funding of the benefits to and on behalf of clients.

Self-Reliance Operations

Analyst: Castro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2009 Original Appropriation	617.69	25,652,800	67,278,900	617.69	25,652,800	67,278,900
Reappropriation	0.00	3,041,600	3,041,600	0.00	3,041,600	3,041,600
Omnibus Rescission	0.00	0	0	0.00	(321,500)	(703,700)
Health Insurance Reduction	0.00	0	0	0.00	(130,400)	(308,900)
FY 2009 Total Appropriation	617.69	28,694,400	70,320,500	617.69	28,242,500	69,307,900
Noncognizable Funds and Transfers	4.00	0	2,628,800	4.00	0	2,628,800
Expenditure Adjustments	0.00	(203,300)	(203,300)	0.00	(203,300)	(203,300)
FY 2009 Estimated Expenditures	621.69	28,491,100	72,746,000	621.69	28,039,200	71,733,400
Removal of One-Time Expenditures	0.00	(8,757,500)	(18,510,600)	0.00	(8,757,500)	(18,510,600)
Additional Base Adjustment	0.00	0	0	0.00	190,500	438,200
FY 2010 Base	621.69	19,733,600	54,235,400	621.69	19,472,200	53,661,000
Benefit Costs	0.00	233,300	552,600	0.00	102,900	243,700
Inflationary Adjustments	0.00	147,500	537,100	0.00	0	0
Replacement Items	0.00	54,900	108,500	0.00	0	0
Statewide Cost Allocation	0.00	500	1,600	0.00	500	1,600
Change in Employee Compensation	0.00	447,800	1,065,400	0.00	0	0
FY 2010 Program Maintenance	621.69	20,617,600	56,500,600	621.69	19,575,600	53,906,300
2. IBIS (EPICS) Maint. & Enhancements	0.00	1,872,100	3,744,300	0.00	1,372,100	2,744,200
5. Child Support \$25 DRA Fee	0.00	227,200	227,200	0.00	227,200	227,200
FY 2010 Total	621.69	22,716,900	60,472,100	621.69	21,174,900	56,877,700
Change from Original Appropriation	4.00	(2,935,900)	(6,806,800)	4.00	(4,477,900)	(10,401,200)
% Change from Original Appropriation		(11.4%)	(10.1%)		(17.5%)	(15.5%)

Self-Reliance Operations

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Original Appropriation	617.69	25,652,800	2,332,400	39,293,700	67,278,900

Reappropriation

Reappropriates \$412,800 in unspent personnel costs and \$2,628,800 in unspent operating funds. The personnel costs will be used to pay for the \$25 child support Deficit Reduction Act fee as required by legislative intent language. The operating carryover funding will be utilized for the eligibility system replacement project as required by legislative intent language. This was reported as the third and final year of the project during the 2008 legislative session.

Agency Request	0.00	3,041,600	0	0	3,041,600
Governor's Recommendation	0.00	3,041,600	0	0	3,041,600

Omnibus Rescission

Agency Request	0.00	0	0	0	0
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General Fund holdbacks, as directed by Executive Orders 2008-3, and 2008-5, are incorporated as a rescission that reduces the General Fund by 4% for FY 2009.

Governor's Recommendation	0.00	(321,500)	0	(382,200)	(703,700)
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Health Insurance Reduction

Agency Request	0.00	0	0	0	0
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The Governor recommends reducing the funding for health insurance by \$500 per FTP, using reserves to offset the increased costs of health insurance for the state for FY 2009 and FY 2010.

Governor's Recommendation	0.00	(130,400)	(300)	(178,200)	(308,900)
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FY 2009 Total Appropriation

Agency Request	617.69	28,694,400	2,332,400	39,293,700	70,320,500
Governor's Recommendation	617.69	28,242,500	2,332,100	38,733,300	69,307,900

Noncognizable Funds and Transfers

Adds \$2,628,800 in federal operating spending authority. The increase in federal funds are due to the 50% match on the EPICS operating funds carryover. Transfers \$412,800 from personnel costs to operating expenditures to pay the \$25 child support DRA fee from carryover funds. Adds 4.0 FTP to the self-reliance operating program.

Agency Request	4.00	0	0	2,628,800	2,628,800
Governor's Recommendation	4.00	0	0	2,628,800	2,628,800

Expenditure Adjustments

Removes General Fund carryover that was reverted in the current fiscal year.

Agency Request	0.00	(203,300)	0	0	(203,300)
Governor's Recommendation	0.00	(203,300)	0	0	(203,300)

FY 2009 Estimated Expenditures

Agency Request	621.69	28,491,100	2,332,400	41,922,500	72,746,000
Governor's Recommendation	621.69	28,039,200	2,332,100	41,362,100	71,733,400

Removal of One-Time Expenditures

Agency Request	0.00	(8,757,500)	0	(9,753,100)	(18,510,600)
Governor's Recommendation	0.00	(8,757,500)	0	(9,753,100)	(18,510,600)

Additional Base Adjustment

Agency Request	0.00	0	0	0	0
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The Governor recommends an ongoing base reduction to balance the state budget. This represents an additional 3.0% reduction for the division bringing the FY 2010 Base 6.3% below the ongoing FY 2009 General Fund Original Appropriation.

Governor's Recommendation	0.00	190,500	0	247,700	438,200
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FY 2010 Base

Agency Request	621.69	19,733,600	2,332,400	32,169,400	54,235,400
Governor's Recommendation	621.69	19,472,200	2,332,100	31,856,700	53,661,000

Self-Reliance Operations

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Benefit Costs					
Provides \$900 per position, which equates to a 10.4% increase for employer-paid health insurance. Also, includes a 19% reduction in life and disability insurance rates from 1.1% to 0.9% of salary for eligible employees.					
Agency Request	0.00	233,300	0	319,300	552,600
<i>The Governor recommends providing an increase of \$400 per FTP and making changes to the health insurance benefits contract to meet expected costs. Including the rescission to reduce health insurance benefit costs in FY 2009 by \$500 per FTP, employer costs per FTP for FY 2010 will be \$8,600.</i>					
Governor's Recommendation	0.00	102,900	(300)	141,100	243,700
Inflationary Adjustments					
Inflationary increases are calculated using the ongoing base for operating expenditures and trustee & benefit payments multiplied by an agency-specific inflation factor. The inflationary adjustment reflects a 3.0% increase in the General Fund and a 2.8% increase in total funds. The requested amount includes \$214,100 for general inflation and \$323,000 for contract inflation. A majority of the contractual inflationary request is calculated with a 5% increase over the previous year.					
Agency Request	0.00	147,500	52,200	337,400	537,100
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
Replacement Items					
Requests seven new vehicles at a cost of \$15,500 per vehicle.					
Agency Request	0.00	54,900	0	53,600	108,500
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
Statewide Cost Allocation					
Requests \$1,600 for risk management cost increases.					
Agency Request	0.00	500	0	1,100	1,600
Governor's Recommendation	0.00	500	0	1,100	1,600
Change in Employee Compensation					
Agencies were instructed to calculate a 3% salary increase in the appropriation request.					
Agency Request	0.00	447,800	1,900	615,700	1,065,400
<i>While increasing salaries of state workers continues to be a priority for the Governor, the current economic situation does not provide the funds to recommend an increase in FY 2010. When economic conditions improve, the Governor will once again seek to improve compensation for all state employees.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2010 Program Maintenance					
Agency Request	621.69	20,617,600	2,386,500	33,496,500	56,500,600
Governor's Recommendation	621.69	19,575,600	2,331,800	31,998,900	53,906,300

Self-Reliance Operations

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. IBIS (EPICS) Maint. & Enhancements					

The Self-Reliance program is requesting \$3,744,300 additional system enhancements and ongoing maintenance costs for the new eligibility system called the Idaho Benefits Information System (IBIS) that replaces the old EPICS system. EPICS was used by the Division of Welfare for 20 years to determine client eligibility for benefit programs including food stamps, Medicaid, and cash assistance. The Division of Welfare received an appropriation to replace the EPICS system as part of a three-year project, beginning in FY 2007. This request includes one-time operating expenditures of \$2,097,300 associated with an implementation strategy for the new system in FY 2010 as well as \$1,647,000 in ongoing operating expenditures for system maintenance and support for a total of \$3,744,300 (50% General Funds matched by 50% federal funds).

The request includes four components:

1) System Maintenance/Contractor costs (\$1,520,000 ongoing)--The system maintenance costs identified here are critical for the ongoing viability of the system. A portion of this cost simply keeps the system running. This includes contract staff time to resolve system errors, implement software version upgrades and security patching, and administer system settings. Ongoing system maintenance costs also include the cost of programming to change the system when new policies are implemented. These changes can be driven by new legislation, policies or rules at the state or federal level.

The base funding that was established in the division of Welfare's budget for maintenance of the old EPICS system is \$500,000. The Division is requesting \$1,520,000 in ongoing operating expenditures in addition to the base budget for a total of \$2,020,000 for system maintenance. The breakdown of the \$1,520,000 is: \$520,000 for software and maintenance costs and \$1,000,000 is for contract programming costs. An increase in base funding is needed because the new system uses modern technology with more expensive programming costs. Also, the division wants to prevent the program performance issues and negative impacts to staff that were experienced with the old EPICS system. The division state's that it has reached new heights in performance over the last two years and is working to maintain this level of performance and to make significant improvements in customer service, all while managing a growing caseload without an increase in FTP. With a sufficient funding base for the new system, the division will have the capacity to effectively respond to changes in state and federal legislation, stay current with technology improvements, and provide staff with the tools they need to provide excellent customer service.

The break-down of contract programming costs for the additional \$1,000,000 in system maintenance includes approximately 14,966 total hours of programming time at an average cost of \$66.82 per hour. The base of \$500,000 covers approximately 7,483 hours at an average of \$66.82 per hour. The contract staff positions to be funded by the total of \$1,500,000 are as follows:

1. Two QA testers at a rate of \$55.00 per hour per person.
2. One system architect at a rate of \$95.00 per hour.
3. Two systems analysts at a rate of \$65.00 per hour per person.
4. Five web developers at a rate \$72.00 per hour per person.
5. A technical writer at a rate of \$40.00 per hour.

2) Implementation Safety Check (\$814,000 one-time)--The Division of Welfare has developed an implementation strategy to safeguard against any major disruptions in service as the old EPICS system is turned off and the new system goes live. This strategy is a three-month "safety-check", during which old EPICS and the new system will run simultaneously. Contract staff will work with existing state staff to make certain the new system is migrated onto production equipment and licenses, meets the business requirements, and performs as expected by the development teams. This will include rigorous testing to find any differences between eligibility determinations made by the two systems to ensure consistency and accuracy. One-time operating expenditures of \$814,000 are requested for approximately 12,386 hours of contract staff time at an average of \$65.72 per hour to support the implementation plan.

3) Additional Enhancements to the Idaho Benefits Information System (IBIS) (\$530,000 one-time)--The Division of Welfare has identified areas where additional enhancements could be made to the new system to help staff work more effectively and improve customer service. One-time funding in operating expenditures

Self-Reliance Operations

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<p>is requested for two of these enhancements. The first request is for \$318,000 to integrate Idaho Child Care Program (ICCP) data into the IBIS System, where client eligibility is determined. This will provide efficiencies for staff in working with a single system for all benefits programs and provide better customer service by improving data integrity and case management capabilities. The second request is for \$212,000 to integrate the web-based application for assistance with the new IBIS system. This would allow customers to apply over the internet from any location and enable workers to incorporate the information submitted by the customer into the system. The web-based application would also include the ability for customers to complete case recertification and renewal activities online. These enhancements would be accomplished through the use of contractor programming time. The total number of hours is approximately 8,030 hours at an average cost of \$66.00 per hour.</p>					
<p>4) Department of Health & Welfare IT Staff Support Costs (\$880,300 total; \$753,000 one-time and \$127,000 ongoing)-- Staff in ITSD will be providing support for the new IBIS system. The division of Welfare requests \$363,000 to train state staff on Oracle, Java, and other high-profile robust software components critical to the longevity of EPICS that previously have not been used by the department. Of the total amount requested for training, \$243,000 is one-time and \$120,000 is ongoing. The ongoing funding will ensure that IT has the necessary resources to keep current on version upgrades, manage internal turnover of staff, and allow for cross-utilization of staff.</p>					
<p>The request also includes one-time operating expenditures of \$478,300 for 5,035 hours of contract staff time at \$95.00 per hour for Oracle database Analysts and Solaris system administrators. These contractors will provide critical support during the first year of running the IBIS system while the requested training funds are used to train state staff to develop the skills they need to support the system on an ongoing basis. Finally, the request includes one-time operating expenditures of \$32,000 for software to support the use of Oracle and other systems being brought on-line in ITSD with the new system and \$7,000 in ongoing operating expenditures for the annual licensing cost of this software.</p>					
Agency Request	0.00	1,872,100	0	1,872,200	3,744,300
<p><i>The Governor's recommendation reduces the agency request of \$2,097,300 in one-time funds to \$1,097,200, but includes the full amount for ongoing costs as requested.</i></p>					
Governor's Recommendation	0.00	1,372,100	0	1,372,100	2,744,200
5. Child Support \$25 DRA Fee					
<p>The division requests \$227,200 from the General Fund for collection of a child support fee required under the federal Deficit Reduction Act of 2005 (DRA). The DRA requires that states collect \$25 annually for each child support case that receives \$500 or more in child support payments. Non-enforcement (receipting service only) cases, cases that have ever received cash assistance under a state or tribal IV-A program, and cases currently receiving food stamp services are excluded. States have the option of collecting the fee from custodial parents, non-custodial parents, or using state funds to pay the fee. During the 2008 legislative session a rule was approved requiring the collection of the \$25 fee from the non-custodial parent; however, the Department of Health & Welfare cannot net the \$25 fee from the child support payment unless the non-custodial parent pays \$25 more than the court ordered child support amount. The federal government requires the state to pay two-thirds of the \$25 fee whether or not it is collected from the non-custodial parent. The \$227,200 request is for the state's two-thirds payment requirement to the federal government for all of the child support accounts where the non-custodial parent did not pay the \$25 fee. [Ongoing]</p>					
Agency Request	0.00	227,200	0	0	227,200
Governor's Recommendation	0.00	227,200	0	0	227,200
FY 2010 Total					
Agency Request	621.69	22,716,900	2,386,500	35,368,700	60,472,100
Governor's Recommendation	621.69	21,174,900	2,331,800	33,371,000	56,877,700
Agency Request					
Change from Original App	4.00	(2,935,900)	54,100	(3,925,000)	(6,806,800)
% Change from Original App	0.6%	(11.4%)	2.3%	(10.0%)	(10.1%)
Governor's Recommendation					
Change from Original App	4.00	(4,477,900)	(600)	(5,922,700)	(10,401,200)
% Change from Original App	0.6%	(17.5%)	0.0%	(15.1%)	(15.5%)

Benefit Payments

Analyst: Castro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2009 Original Appropriation	0.00	19,127,800	78,618,700	0.00	19,127,800	78,618,700
Omnibus Rescission	0.00	0	0	0.00	(1,465,900)	(3,953,000)
FY 2009 Total Appropriation	0.00	19,127,800	78,618,700	0.00	17,661,900	74,665,700
Noncognizable Funds and Transfers	0.00	0	13,900,000	0.00	0	13,900,000
FY 2009 Estimated Expenditures	0.00	19,127,800	92,518,700	0.00	17,661,900	88,565,700
Removal of One-Time Expenditures	0.00	0	(13,900,000)	0.00	0	(13,900,000)
Additional Base Adjustment	0.00	0	0	0.00	(734,800)	1,752,300
FY 2010 Base	0.00	19,127,800	78,618,700	0.00	16,927,100	76,418,000
Nondiscretionary Adjustments	0.00	39,100	0	0.00	39,100	0
FY 2010 Total	0.00	19,166,900	78,618,700	0.00	16,966,200	76,418,000
Change from Original Appropriation	0.00	39,100	0	0.00	(2,161,600)	(2,200,700)
% Change from Original Appropriation		0.2%	0.0%		(11.3%)	(2.8%)

Benefit Payments

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Original Appropriation	0.00	19,127,800	23,500	59,467,400	78,618,700
Omnibus Rescission					
Agency Request	0.00	0	0	0	0
<i>General Fund holdbacks, as directed by Executive Orders 2008-3, and 2008-5, are incorporated as a rescission that reduces the General Fund by 4% for FY 2009.</i>					
Governor's Recommendation	0.00	(1,465,900)	0	(2,487,100)	(3,953,000)
FY 2009 Total Appropriation					
Agency Request	0.00	19,127,800	23,500	59,467,400	78,618,700
Governor's Recommendation	0.00	17,661,900	23,500	56,980,300	74,665,700
Noncognizable Funds and Transfers					
Increases the budget by \$13,900,000 for additional Low Income Home Energy Assistance Project (LIHEAP) funds from the federal government.					
Agency Request	0.00	0	0	13,900,000	13,900,000
Governor's Recommendation	0.00	0	0	13,900,000	13,900,000
FY 2009 Estimated Expenditures					
Agency Request	0.00	19,127,800	23,500	73,367,400	92,518,700
Governor's Recommendation	0.00	17,661,900	23,500	70,880,300	88,565,700
Removal of One-Time Expenditures					
Agency Request	0.00	0	0	(13,900,000)	(13,900,000)
Governor's Recommendation	0.00	0	0	(13,900,000)	(13,900,000)
Additional Base Adjustment					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends an ongoing base reduction to balance the state budget. This represents an additional 3.0% reduction for the division bringing the FY 2010 Base 6.3% below the ongoing FY 2009 General Fund Original Appropriation.</i>					
Governor's Recommendation	0.00	(734,800)	0	2,487,100	1,752,300
FY 2010 Base					
Agency Request	0.00	19,127,800	23,500	59,467,400	78,618,700
Governor's Recommendation	0.00	16,927,100	23,500	59,467,400	76,418,000
Nondiscretionary Adjustments					
Provides General Funds to replace federal funds due to a reduction in the Federal Medical Assistance Percentage (FMAP) from 69.795 to 69.493%. The FMAP is used in determining the amount of federal matching funds for state expenditures for assistance payments for certain social services.					
Agency Request	0.00	39,100	0	(39,100)	0
Governor's Recommendation	0.00	39,100	0	(39,100)	0
FY 2010 Total					
Agency Request	0.00	19,166,900	23,500	59,428,300	78,618,700
Governor's Recommendation	0.00	16,966,200	23,500	59,428,300	76,418,000
Agency Request					
Change from Original App	0.00	39,100	0	(39,100)	0
% Change from Original App		0.2%	0.0%	(0.1%)	0.0%
Governor's Recommendation					
Change from Original App	0.00	(2,161,600)	0	(39,100)	(2,200,700)
% Change from Original App		(11.3%)	0.0%	(0.1%)	(2.8%)